Assembly Committee on Agriculture

Date: <u>01/14/99</u> Mee Location: <u>328 Northwest</u>	ting Type:	Pul	olic He	aring
Location: 328 Northwest	, State (apitol		
Committee Member Rep. Alvin Ott, Chair Rep. Jerry Petrowski Rep. Eugene Hahn Rep. Steve Kestell Rep. Joan Spillner Rep. Scott Suder Rep. John Ainsworth Rep. Tom Sykora Rep. Barbara Gronemus Rep. Tom Hebl Rep. Julie Lassa Rep. Joe Plouff Rep. Marty Reynolds Rep. John Steinbrink		Present March Mar	Absent	Excused
	Totals:	14	0	

Jinda Marveson

Linda Narveson, Committee Clerk



January 15, 1998

Speaker Scott Jensen 211 West, State Capitol Madison, WI 53538

Dear Speaker Jensen:

I am writing to give my resignation from the Assembly Committee on Agriculture.

Although my commitment to Wisconsin agriculture is undiminished, my priority right now is focused on other issues that prevent me from doing my position on the committee justice.

I am confident that you will be able to find a suitable replacement for me that will maintain the same commitment to Wisconsin agriculture.

Sincerely,

David Ward State Representative 37th Assembly District

cc: Representative Al Ott

Home: N3401 Hwy. G

(920) 563-2769

Fort Atkinson, Wisconsin 53538



SCOTT R. JENSEN ASSEMBLY SPEAKER

January 26, 1998

Representative Joan Spillner 21 North Madison, WI 53072

Dear Joan:

As Assembly Speaker, it is my pleasure to appoint you as a member of the Agriculture Committee. You will be filling the position recently vacated by Representative Ward. This appointment is effective immediately.

Thank you for your service.

Sincerely

Scott R. Jensen

Speaker

SRJ/bjh

cc:

Assembly Records

Rep. Al Ott

Assembly Committee on Agriculture

Date: <u>03/21/2000</u> Meeti Location: 328 NW	ing Type:	Public	E Hearing	·
Committee Member Rep. Alvin Ott, Chair Rep. Jerry Petrowski Rep. Eugene Hahn Rep. Steve Kestell Rep. Joan Spillner Rep. Scott Suder Rep. John Ainsworth Rep. Tom Sykora Rep. Barbara Gronemus Rep. Julie Lassa Rep. Joe Plouff Rep. Marty Reynolds Rep. John Steinbrink Rep. Sarah Waukau		Present X X X X X X X X X X X X X X X X X X	Absent Control Contro	Excused
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Jinda Marreson

Assembly Committee on Agriculture

Date: <u>03/01/2000</u> Mee [.] Location: <u>417 <i>North</i>, S</u>	ting Type:	<u>Public</u> tol	Hearing	
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Assembly Committee on Agriculture

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Rep. Sarah Waukau	Totals:	<u> </u>	□	⊔ م

Airda Marveson

Assembly Committee on Agriculture

Date: <u>02/07/2∞0</u> Me Location: <u>417 North,</u> S	eting Type:	Jt. Com Agriculture, and Com	mittee with Environments poign Finance	1 Senate al Resources Reform
Committee Member Rep. Alvin Ott, Chair Rep. Jerry Petrowski Rep. Eugene Hahn Rep. Steve Kestell Rep. Joan Spillner Rep. Scott Suder Rep. John Ainsworth Rep. Tom Sykora Rep. Barbara Gronemus Rep. Julie Lassa Rep. Joe Plouff Rep. Marty Reynolds Rep. John Steinbrink Rep. Sarah Waukau		Present XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	Absent	Excused
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Linda Marveson

Assembly Committee on Agriculture

Date: 11/18/99 Meeting: Location: 417 North, State C	Type: <u>Public</u>)	
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Anda Marveson

Assembly Committee on Agriculture

Date: 11/18/19 Meeting Typ	De: It. Committee with Senate
Location: 417 North State Capital	Agriculture, Environmental Resource
Committee Member Rep. Alvin Ott, Chair	Present Absent Excused
Rep. Alviri Ott, Chair Rep. Jerry Petrowski	
Rep. Eugene Hahn	
Rep. Steve Kestell	
Rep. Joan Spillner	
Rep. Scott Suder	
Rep. John Ainsworth	
Rep. Tom Sykora	
Rep. Barbara Gronemus	
Rep. Julie Lassa	
Rep. Joe Plouff	
Rep. Marty Reynolds	
Rep. John Steinbrink	
Rep. Sarah Waukau	
Totals:	<u>/a 0 a</u>

Assembly Committee on Agriculture

Date: 16/21/99 Meeting Type	: Public	Heaving	
Ocation: 417 North, State Capital		,	
Committee Member	<u>Present</u>	Absent	<u>Excused</u>
Rep. Alvin Ott, Chair			
Rep. Jerry Petrowski	M M		
Rep. Eugene Hahn			
Rep. Steve Kestell	X		
Rep. Joan Spillner	X		
Rep. Scott Suder	<u>X</u>		
Rep. John Ainsworth	\bowtie		
Rep. Tom Sykora	X		
Rep. Barbara Gronemus	\square		
Rep. Julie Lassa	\square		
Rep. Joe Plouff			
Rep. Marty Reynolds	\boxtimes		
Rep. John Steinbrink	\boxtimes		
Rep. Sarah Waukau			
Totals:			

Assembly Committee on Agriculture

Date: 09/30/99 Meet Location: Wingva Room - Exhibition			J	WI
Committee Member Rep. Alvin Ott, Chair Rep. Jerry Petrowski Rep. Eugene Hahn Rep. Steve Kestell Rep. Joan Spillner Rep. Scott Suder Rep. John Ainsworth Rep. Tom Sykora Rep. Barbara Gronemus Rep. Julie Lassa Rep. Joe Plouff Rep. Marty Reynolds Rep. John Steinbrink Rep. Sarah Waukau		Present XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	Absent	
	Totals:	_/3_		

Assembly Committee on Agriculture

Date: 09/09/99 Meet ocation: Wis Milk Marketing	ing Type:	Public Madison, W	Hearing	
Committee Member Rep. Alvin Ott, Chair Rep. Jerry Petrowski Rep. Eugene Hahn Rep. Steve Kestell Rep. Joan Spillner Rep. Scott Suder Rep. John Ainsworth Rep. Tom Sykora Rep. Barbara Gronemus Rep. Julie Lassa Rep. Joe Plouff Rep. Marty Reynolds Rep. John Steinbrink Rep. Sarah Waukau		Present XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	Absent	
	Totals:	13	O	

Tinda Marveson

Assembly Committee on Agriculture

Date: 08/26/99 Meeting Type Location: Plymouth, Wisconsin	e: Public	Hearing	·
Committee Member Rep. Alvin Ott, Chair Rep. Jerry Petrowski Rep. Eugene Hahn Rep. Steve Kestell Rep. Joan Spillner Rep. Scott Suder Rep. John Ainsworth Rep. Tom Sykora Rep. Barbara Gronemus Rep. Julie Lassa Rep. Joe Plouff Rep. Marty Reynolds Rep. John Steinbrink Rep. Sarah Waukau	Present	Absent	Excused Control Contr
Totals:	9		_5_

Luida Marveson

Assembly Committee on Agriculture

Date: 07/19/99 Meeting Type: Location: Green Bay, Wisconsin	Public	Hearing	
Committee Member Rep. Alvin Ott, Chair Rep. Jerry Petrowski Rep. Eugene Hahn Rep. Steve Kestell Rep. Joan Spillner Rep. Scott Suder Rep. John Ainsworth Rep. Tom Sykora Rep. Barbara Gronemus Rep. Julie Lassa Rep. Joe Plouff Rep. Marty Reynolds Rep. John Steinbrink Rep. Sarah Waukau	Present	Absent Control Cont	Excused
Totals:	10		4.

Dinda Marreson

Assembly Committee on Agriculture

Date: 05/06/99 Me	eting Type:	Public	Hearing	
Location: 417 North, S	tate Capito			71.
Committee Member Rep. Alvin Ott, Chair Rep. Jerry Petrowski Rep. Eugene Hahn Rep. Steve Kestell Rep. Joan Spillner Rep. Scott Suder Rep. John Ainsworth Rep. Tom Sykora Rep. Barbara Gronemus Rep. Julie Lassa Rep. Joe Plouff Rep. Marty Reynolds Rep. John Steinbrink Rep. Sarah Waukau		Present XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	Absent	
	Totals:	13		

Jinda Marveson

Monday, April 26, 1999

Rep. Sarah Waukau 210 North, State Capitol Madison, WI 53703 Received 05/04/99

Rep. Waukau,

As Assembly Speaker, I am appointing you to the following Assembly Committees:

Assembly Health Committee

Assembly Tourism Committee (replacing Rep. Barbara Gronemus)

Assembly Agriculture Committee (replacing Rep. Tom Hebl)

These appointments are effective immediately. If you have any questions, please contact Brett in my office. Thank you.

Sincerely,

Scott R. Jensen Assembly Speaker

Cc:

Assembly Records Charlie Sanders Rep. Krug

Assembly Committee on Agriculture

Date: <u>63/11/99</u> Mee	eting Type:	Public	Hearing	-
Location: 417 North, S	tate Capital			
Committee Member Rep. Alvin Ott, Chair Rep. Jerry Petrowski Rep. Eugene Hahn Rep. Steve Kestell Rep. Joan Spillner Rep. Scott Suder Rep. John Ainsworth Rep. Tom Sykora Rep. Barbara Gronemus Rep. Tom Hebl Rep. Julie Lassa Rep. Joe Plouff Rep. Marty Reynolds Rep. John Steinbrink		Present XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	Absent	
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Jinda Marreson

Assembly Committee on Agriculture

Date: <u>01/20/98</u> Mee Location: <u>Green Bay</u>	eting Type:	<u>Agricu</u>	Iture Comm Public	Heaving J
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Linda Marveson

Assembly Committee on Agriculture

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Assembly Committee on Agriculture

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Jinda Marreson

Assembly Committee on Agriculture

Date: 11/18/99 Mee	ting Type:	Public	Hearing	
Location: 417 North, St	ate Capital	Madiso	n, WI	
Committee Member Rep. Alvin Ott, Chair Rep. Jerry Petrowski Rep. Eugene Hahn Rep. Steve Kestell Rep. Joan Spillner Rep. Scott Suder Rep. John Ainsworth Rep. Tom Sykora Rep. Barbara Gronemus Rep. Julie Lassa Rep. Joe Plouff Rep. Marty Reynolds Rep. John Steinbrink Rep. Sarah Waukau		Present NAMA DAM DAM	Absent	Excused
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Anda Marreson

Assembly Committee on Agriculture

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	Totals:	14		<u> </u>

Ainda Marveson Committee Clark



Febuary 5, 1999

Mr. Greg Beck, President & CEO Equity Cooperative Livestock Sales Association E10890 Penny Lane Baraboo, WI 53913

Dear Greg,

Thank you for participating in the Hog Industry hearing on December 17, 1999. I must apologize for the delay in expressing my gratitude for your help in the event. As you know we have all been busy trying to help out in this time of crisis.

A lot has been done in less than two months. The Hog Industry hearing in December allowed us an opportunity to develop a plan of action to meet the crisis head on. Farmers, educators, legislators, agriculture industry professionals, and agency personnel all mobilized to help. In the Legislature, the Agriculture Committee held a hearing and toured meat processors in Green Bay in January. We adjusted the CROP program in WHEDA to provide loans to accommodate the struggling hog farmer. A joint resolution was drafted to send to Wisconsin's congressional delegates urging them to review issues affecting the hog market. We can all be proud of these accomplishments, but we are not done yet!

Once again, thank you for attending the Hog Industry hearing and for all the assistance you have provided in the last few months. We have made a difference through dedication and hard work. Please contact me if you have any additional concerns, questions, or comments.

Sincerely,

Al Ott State Representative 3rd Assembly District February 5, 1999

Mr. Roger Van Hemelryk Maplewood Meats 4663 Milltown Road Green Bay, WI 54313

Dear Roger and family,

Thank you for taking the time out of your busy schedule to allow Agriculture Committee members and invited guests to view your facility. The tour was extremely valuable in educating the Agriculture Committee members on how a processing plant works. Numerous members commented afterwards about the efficiency and dedication of the employees of the company.

I hope you found the afternoon hearing and our visit as interesting, educational and eye opening as we did. Thank you once again for all your help. If you have any further questions or comments, please feel free to contact me at 1-888-534-0003.

Sincerely,

Al Ott State Representative 3rd Assembly District February 5, 1999

Dr. Dennis Buege Extension Meat Specialist University of Wisconsin 1805 Linden Drive Madison, WI 53706

Dear Dennis,

Thank you for taking the time out of your busy schedule to drive up to Green Bay to attend the January 20^{th} hearing. Your testimony was extremely valuable in educating the Agriculture Committee members. Numerous members commented afterward about the level of expertise and compassion displayed by those who testified. We could not have pulled off the hearing with out you.

I hope you found the hearing and tour interesting, educational and eye opening. Thank you once again for all your help. If you have any further questions or comments, please feel free to contact me at 1-888-534-0003.

Sincerely,

Al Ott State Representative 3rd Assembly District

Participants – Green Bay Tour and Agriculture Committee Hearing – January 20, 1999

Norval Dvorak, Consultant Packerland Packing P.O. Box 23000 Green Bay, WI 54305-3000 Phone: 920/468-4000

Rich Vesta, President Packerland Packing P.O. Box 23000 Green Bay, WI 54305-3000 Phone: 920/468-4000

Curt Grimm
Director of Operations
Packerland Packing
P.O. Box 23000
Green Bay, WI 54305-3000
Phone: 920/406-2127
Fax: 920/406-2125

Dr. Dennis Buege Extension Meat Specialist University of Wisconsin 1805 Linden Drive Madison, WI 53706 Phone: 262-0555 Fax: 265-3110

Terry Burkhardt, Director Wisconsin Meat Safety Program Dept. of Agriculture, Trade and Consumer Protection 2811 Agriculture Drive Madison, WI P.O. Box 8911 Madison, WI 53708-8911 Phone: 224-4725

Professor Dick Vatthauer UW Extension Meat Specialist University of Wisconsin Room 253 Animal Science Bldg. Madison, WI 53706 Phone: 263-7761

Tod Fleming
Vice-President, Cattle Marketing
Equity Cooperative Livestock Sales Association
E10890 Penny Lane
Baraboo, WI 53913
Phone: 6089/356-8311

Participants – Green Bay Tour and Agriculture Committee Hearing – January 20, 1999 Page 2

Roger Van Hemelryk and family Maplewood Meats

4663 Milltown Road Green Bay, WI 54313 Phone: 920/865-7901

John Haen Haen Meat Packing, Inc. W1910 County Trk KK Kaukauna, WI 54130 Phone: 920/766-3239

PARTICIPANTS - HOG INDUSTRY HEARING - DECEMBER 17, 1998

Richard (Rick) Tanger
Livestock and Grain Market News
Dept. of Agriculture, Trade and Consumer Protection
2811 Agriculture Drive
P.O. Box 8911
Madison, WI 53708-8911

Vernon D. Leibbrandt, Ph.D.
College of Agricultural and Life Sciences
249 Animal Sciences Building
1675 Observatory Drive
University of Wisconsin-Madison
Madison, WI 53706-1284

Robert J. Battaglia Wisconsin Agricultural Statistics Service Dept. of Agriculture, Trade and Consumer Protection P.O. Box 8934 Madison, WI 53708-8934

Brandon Scholz, President Wisconsin Grocers Association, Inc. 2601 Crossroads Drive, Suite 185 Madison, WI 53718

Bob Uphoff 4561 Meadowview Road Madison, WI 53711

Keri Retallick Wisconsin Pork Producers Association P.O. Box 327 Lancaster, WI 53813

Michael A. Myers First National Bank of Platteville 170 W. Main Street Platteville, WI 53818

William D. Dobson, Professor Ag & Applied Economics Rm 515 Taylor Hall University of Wisconsin Madison, WI 53706

Dan Short Extension Livestock Agent Arlington Ag Research Station N695 Hopkins Road Arlington, WI 53911 Participants – Hog Industry Hearing – December 17, 1998 Page 2

Lonnie Olsen Dick's Supermarkets P.O. Box 656 Platteville, WI 53818

Dr. Art Mueller WISPIG 612 Delco Drive Clinton, WI 53525

Jens Knutson American Meat Institute 1700 N. Moore Street, Suite 1600 Arlington, VA 22209 Phone: (703) 841-2400 Fax: (703) 527-0938

Bruce Thompson Senior VP/Chief Credit Officer Badgerland Farm Credit Services 315 Broadway P.O. Box 69 Baraboo, WI 53913 Phone: (608) 356-8376

Eric Drachenberg Wisconsin Pork Producers 7187 Loy Road Arena, WI 53503

Greg Beck, President & CEO Equity Cooperative Livestock Sales Association E10890 Penny Lane Baraboo, WI 53913

State of Wisconsin

Department of Agriculture, Trade and Consumer Protection



Office of the Secretary

2811 Agriculture Drive

PO Box 8911 Phone: (608)224-5012

Madison WI 53708-8911

FAX: (608)224-5045







Date: 01/07/99

To:	Rep.	AI.	Ott_				
						•	
				 	 		

From:

Stan Shaw

Phone:

(608) 224-5016

FAX:

(608)224-5045

Number of Pages to Follow: 4

Attached is a short faxed versions from Illinois Farm Development Authority Message: more detail information is been mailed to me today. I spoke with David Wirth Illinois Farm Authority (217) 782-5792.

The information contained in this facsimile message is privileged and confidential, and is intended for the use of the individual or entity named above. If you receive this communication in error, or it any of the pages need to be resent, please calcula condensat the above number. Thank you

1-06-1999 4:48PM

12177823989 FROM ILL. FARM_DEV. AUTH. 12177823989





Illinois Farm Development Authority 427 E. Monroe, Springfield, IL 62701 Phone 217.782.5792 Fax 217.782.3989 Email dwirth@pop.state.il.us

Fax

To:	Sta	n Shaw	From:	David L. Wirth
Faxt	608.224.5045 Pages: 4			. 4
Phone:			Date:	01/06/99
Rei			CC:	
□ Urg	ent	☐ For Review	□ Please Comment	□ Please Reply

Enclosed:

- Press release
- Interest buy down facts
- Excerpts from brochure highlighting Debt Restructuring Guarantee

I hope this helps.

David



Illinois Farm Development Authority 427 E. Monroe, Springfield, IL 62701 Phone 217.782.5792 Fax 217.782.3989

FOR IMMEDIATE RELEASE January 6, 1999

FINANCIAL HELP AVAILABLE FOR PORK PRODUCERS AND LENDERS

The Illinois Farm Development Authority (IFDA) is working with local lenders to offer the state's pork producers guaranteed loans at lower interest rates under a \$50 million program announced this week by Governor Jim Edgar.

The modified debt restructuring guaranteed loan program increases eligibility for pork producers who are suffering unprecedented losses and includes an Interest Buy Down program which reduces the interest rate to about 5.1% based on today's treasury rates.

"We look to work with local lenders to assist pork producers during this time of extreme financial stress," said IFDA Executive Director David Wirth. "These loans can bridge the gap created by today's extraordinarily low market prices and make a positive difference for many farmers."

Through the program, local lenders agree to an interest rate slightly below market in exchange for an 85% guarantee of principal and interest. Current program rates are about 7.1%. The Interest Buy Down program further reduces the interest rate by 2% for five years on the first \$100,000 borrowed. The maximum loan size is \$500,000.

The IFDA will also use modified market valuations of hog inventories to determine loan eligibility. Current hog prices are about one third of their normal values. With the modifications, IFDA will use more typical hog values.

To be eligible, farmers must be Illinois residents, have a debt to asset ratio between 40% and 65% and have sufficient collateral and cash flow. Loan applications are submitted to IFDA by local lenders.

Illinois Farm Development Authority, January 5, 1999

Interest Buy Down (IBD) Fact Sheet

The IBD will be allowed only on the first \$100,000 of each loan..

With today's 5 year treasury rates of about 4.6%, a debt restructuring guaranteed loan would have an interest rate of about 7.1%. With an IBD of 2.0%, the rate to the farmer would be 5.1%.

The IBD will last for 5 years, although the guaranteed loans may have a maturity of more than 5 years.

Lenders participating in the IBD must agree to fix the rate on the guaranteed loan for at least 5 years.

The IBD will be available for 6 months, or until \$50 million of loans have been approved.

STATE GUARANTEE PROGRAM FOR RESTRUCTURING AGRICULTURAL DEBT

This program is designed to consolidate and spread out a farmer's existing debt over a longer term at a reduced interest rate. Loans are made by commercial lenders who receive an 85% guarantee of principal and interest.

ELIGIBILITY

- * Illinois resident at least 18 years old:
- Principal operator of a farm who derives 50% or more of gross income from farming;
- * Debt to asset ratio between 40% and 65%;
- * Cash flow and collateral adequate for the loan.

LOAMS MAY BE USED FOR

Refinancing any existing agricultural debt.

LOAN TERMS

- Maximum Joan is \$500,000;
- * Maximum length of thirty years;
- Real estate may be amortized up to thirty years. The repayment period will be shorter for depreciable property;
- * Annually variable rate 1 year Treasury + 2.5%;
- * 3 or 5 year rate · corresponding Treasury + 2.5%.

For further information, contact your local lender or:

ILLINOIS FARM DEVELOPMENT AUTHORITY

427 East Monroe Street, Suite 201

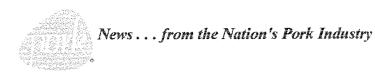
Springfield, Illinois 62701

Phone: 217/782-5792

800/406-IFDA

Fax: 217/782-3989

Revised September 1997
Printed with soybean ink @ 6.5 cents per copy



December 22, 1998
For Immediate Release
Contact: Walter Cherry, North Carolina Pork Council, Inc.
919/781-0361

N.C. Pork Council: Permit Disagreement Hurting Farmers

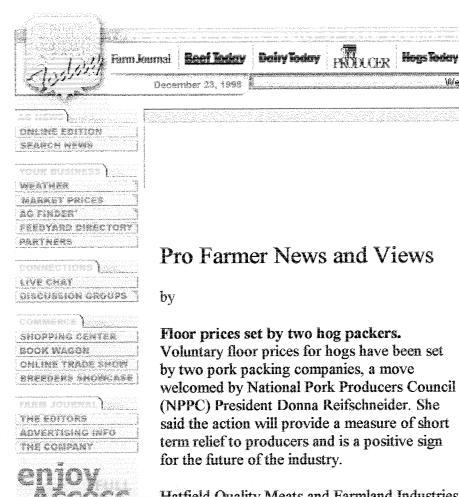
A disagreement between the N.C. Division of Water Quality and Smithfield Foods over the existing discharge permit at the Carolina Foods processing plant in Bladen County is costing pork producers across the nation thousands of dollars each day.

An increased number of hogs coming to market and a shortage of processing space has pushed hog prices to their lowest levels in over 40 years. At today's live weight price of 11.9 cents per pound, pork producers are losing approximately \$71 on every hog that they produce. This translates into loses of \$19.5 million dollars per week just in North Carolina alone. Compared to one year ago when gross income to North Carolina's producers exceeded \$30 million dollars per week, today's prices have pushed that gross income down to approximately \$8 million dollars per week.

Even though USDA is attempting to help pork producers nation wide by increasing pork purchases of hogs that are slaughtered on Saturday and Sunday and from plants that are operating at full capacity, the immediate need is for an increase in processing capacity to help work out some of the glut of hogs that are backed up in the pipeline. It is believed that Smithfield's Bladen County plant is the only hog processing plant in the nation that is not allowed to operate up to it's design capacity.

At question are various production limits being imposed on the plant by the Division of Water Quality. Smithfield and the N.C. Pork Council have pointed out that there is no production limit term of any kind contained in Smithfield's presently effective NPDES discharge permit. However, several DWQ officials recently announced that a single sentence contained in a January 1995 letter written by DWQ Director Preston Howard to Smithfield's consulting engineers constitutes a mandatory daily production limit. If DWQ's newly stated position is not changed or overruled by the courts, it could have a devastating effect on the already precarious economic situation for North Carolina's pork producers.

Pork producers have asked DWQ to allow Smithfield to increase their daily and weekly capacity up to whatever level that can be safely processed without having an adverse impact on the waters of the state. This increase in capacity will help alleviate some of the nation wide problems of excess hogs coming to market and should have a positive impact on prices.



Hatfield Quality Meats and Farmland Industries this week became the first packers to set voluntary minimum prices. Hatfield established a price of \$25 per hundredweight through at least the end of December, after which the policy will be reviewed. Farmland set a minimum price at \$15 per hundredweight, which is available to producers who sold hogs to the farmer-owned cooperative between Sept. 1 and Dec. 19, 1998.

"We commend the leadership of these two companies and hope it spurs other packers to follow suit," Reifschneider said. NPPC has appealed to the Clinton Administration for assistance on behalf of pork producers, who are suffering through historically low prices due to a 10 percent reduction in slaughterhouse capacity and a 37 percent increase in Canadian hogs being slaughtered in the U.S. NPPC has requested:



marketing your grain.

PROZ/FARMER

Welcome back

- A roan guarantee program, including interest assistance and debt restructuring;
- direct payments to pork producers; an increase in slaughter capacity and a reduction in Canadian live hog exports;
- implementation of a humanitarian "gilt lift" of approximately 300,000 hogs to countries devastated by Hurricane Mitch;
- a nation-wide program of eradication of pseudorabiespositive herds; and
- additional purchases of pork and pork products for domestic and international feeding or humanitarian assistance programs.

The National Pork Producers Council (NPPC) and the American Farm Bureau Federation also sent a joint letter to USDA Secretary Dan Glickman today urging immediate action to boost U.S. hog prices.

NPPC officials met this week with USDA Undersecretary Gus Schumacher, and told him "they would give out his telephone number to farmer-members if USDA didn't soon announce efforts to help the hog industry."

Among the options the NPPC discussed with Schumacher:

- 1. Improve hog producer liquidity via loan guarantees;
- 2. Shut down the Canadian border relative to that country's hogs coming here (U.S. Trade Representative's office reportedly favorably views this suggestion, while some USDA officials are said to be cool to the plan.);
- 3. A 200,000-hog gilt lift to Central American country (NPPC reportedly told Schumacher

to 2 million head from the current 2.2 million head.);

- 4. Additional pork purchases;
- 5. The group explained that North Carolina has 50,000 additional capacity that due to moratoriums cannot be utilized and needs to be addressed now.

USDA announces new tender for 695,000 MT wheat for export donation. USDA's Commodity Credit Corporation today issued its next tender to purchase wheat for donation under the Food Aid Initiative. The tender is for a total of 695,000 tons of wheat for shipment January 20-March 31, 1999.

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Inc., Philadelphia, PA 19102-2181.



National Farmers Organization

800-247-2110 or E-Mail: NFO@netins.net

News Release

Contact: Perry Garner, communications director, or Wendy Miller, writer2505 Elwood Dr. Ames, Iowa 50010-2000

For Immediate Release

NPPC describes National Farmers as leading marketer

Pork council CEO, beef association product developer headline workshops

ST. LOUIS, Mo. (January 20, 1999) — Tackling issues ranging from the hog price crisis to new product development in the beefindustry, National Farmers Organization held commodity education and farm business workshops designed to cultivate a fresh ag marketing perspective.

The workshops, held Wednesday as part of Convention '99, offered producers an opportunity to participate in question-and-answer sessions with ag industry leaders.

Keynote speaker Alan Tank, chief executive officer of the National Pork Producers Council (NPPC), issued a strong statement about the need for America's hog producers to market their hogs differently in today's environment. "Producers need to look at networking opportunities and collective bargaining arrangements," Tank said. "Today, risk management is absolutely imperative... And National Farmers is one of the best marketers in the U.S."

Tank piqued the group's interest with information about the current hog crisis. He pointed to factors such as reduced slaughter capacity and massive consolidation as major contributors to low hog market prices. "Every time production exceeds 90 percent of slaughter capacity, producers lose all leverage in the marketplace," he underscored. Currently, production exceeds 100 percent of slaughter capacity.

Tank went on to discuss the effectiveness of mandatory producer commodity check-offs, especially in light of the present hog market situation. He explained that the concept was originally designed to benefit producers, but if they no longer believe it is effective, there is a national petition drive to require a referendum on the program. The petition would need approximately 22,000 producer signatures in order to be accepted. Earlier in the week, National Farmers members passed a resolution stating that check-offs should only be authorized by a referendum of producers affected.

Later that day, Mark Thomas, Vice President of New Marketing Initiatives at National Cattlemen's Beef Association (NCBA), gave convention goers the inside track on new product development occurring in the beef industry. The new products could spur lagging consumer beef demand.

"The beef industry must coordinate segments and modernize product offerings; new product development will stabilize beef's demand," he emphasized.

The current trend in consumer demand is convenience products. Thomas pointed out that those products create new marketing avenues for the sector, and NCBA is working with several consultants in developing beef-based convenience foods.

CALUMET CO. NFO NEWSLETTER

Our February meeting will be held at the Calumet County Courthouse on Wednesday, Feb. 10th at 8:30 PM in Room 014.

Lunch Committee: Mrs. Joe Wagner and Mrs. Vernon Gebhart

The other day I was reading that Americans now spend more money gambling than they do to put food on the table. What have we become as a nation? People don't seem to mind losing a paycheck at the casinos, but they resent paying more for food.

Things must be in bad shape for agriculture this year. Agriculture and the devastation that it is in was mentioned in the State of the Union Address given by our President. Mr. Clinton thought that the government could help with safety nets for farm income and crop insurance reform. Don't wait for the government to throw you a few crumbs. Farmers need to wake up. The money is out there for us to receive a just and fair price for our products to run our businesses in a business-like manner and have a good standard of living for our families. As long as farmers continue to market their production as lone rangers, the huge corporations will buy it cheap and make record profits.

At this month's meeting we will have a report from the delegates to the national convention. This will include President Gene Paul's message about changing check-offs and enforcements of anti-trust laws. We will hear commodity reports and the financial status on the national level.

Marvin and Ruby Gerner have been sending out the newsletter the last 30 years and would like to step down from the job. We need someone to step forward and help us out. It does not mean that you have to do it for the next 30 years. Please give me a call (849-9669), or talk to me at the meeting.

See you at the meeting.

Dick





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The Nation's Homepage

Hog farms fold under price crunch

By Gary Strauss, USA TODAY

They used to be known as mortgage lifters in farm country.

These days, they are more like mortgage busters. No longer the most profitable slice of American agriculture, hogs are more reviled than revered. Depression-era prices have forced small-scale farmers to shoot hogs or give them away. Environmentalists are applying pressure to force large-scale hog farms out of business. And the lowly hog has become the four-legged source of antitrust allegations, international politics and finger-pointing among producers and packers.

Monday, the Department of Agriculture started taking requests from cash-strapped hog farmers for emergency funds. As part of a \$50 million relief plan, some could receive up to \$2,500. But critics charge the handouts are too little too late and will aid few of the \$12 billion industry's 114,300 hog producers. Only farmers who marketed 1,000 hogs or fewer during the last half of 1998 qualify. The payout is capped at \$5 a hog, but farmers are losing as much as \$50 a hog.

"Five dollars means nothing when it takes \$50 of feed and \$20 in other expenses to get a hog to market," says Stan Ringger, a fourth-generation producer from Gridley, Ill., who raises 7,500 hogs a year.

John O'Hair, who raises hogs in Croswell, Mich., qualifies for the government relief plan. "For the guy hanging on by a thread, it isn' going to help," says O'Hair, 32. "It won't replace what I've lost, but I'm going to take it."

Live hog prices averaged almost 50 cents a pound in 1998, but plunged as low as 8 cents in spot markets in December. That cost hog farmers \$2.6 billion in 1998, economists say. They'll lose at least \$1.5 billion this year, forcing up to a third out of business. Some states could be harder hit. Missouri Sen. John Ashcroft warns 40% of his state's farmers could fold.

"Hogs are pretty fundamental to our economy," says Rep. David

Minge, D-Minn. "Business at farm implement dealers has just about dried up. Low prices also affect contractors, interior decorators, car dealers and appliance dealers."

Some blame lenders. "If you walked into a bank and wanted to borrow \$200,000 to put up a barn when hog prices were high, lenders would say how about \$400,000," says Arlington, Minn., farmer Dennis Schultz.

Schultz, 43, lost about \$175,000 last year on his 2,000-hog operation. He plans to liquidate later this month.

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"We're a long way from bankruptcy, but we're out of business. Farming is a way of life. It's also a business. It hit home around Christmas when I saw a 10-pound ham selling at the store for \$30. I was getting \$16.35 a pig," Schultz says.

Even those with limited feed costs are pinched. Greg Gunthorp, a free-range pig farmer in LaGrange, Mich., is hurting. His chemical-free, pasture-fed hogs are favored by some pricey Chicago restaurants, but they don't buy enough to support his family. "We're living at the poverty line right now - there's no money to spend," says Gunthorp, 28.

Lenders are facing a cash crunch of their own making. Producer loans are based in part on the price of hogs. Since the price plunge, lenders are seeing higher loan defaults. Iowa-based Brenton Banks, with half its assets tied to agriculture, has been modifying some farm loans and forgoing principal payments to help farmers weather the price crunch, says banker Tom Vincent.

The 3C-crisis

It's not slowing demand that is driving down prices. U.S. consumption of pork was up almost 8% last year, and exports jumped 18%.

Instead, the National Pork Producer's Council (NPPC), the trade association that represents 85,000 hog farmers, blames lean times on a 13% rise in U.S. hogs coming to market, coupled with an 8% loss in slaughter capacity among meat packers and a 37% jump in imports. Canadian imports are up to 4 million a year, largely because Canadian packers have been hit by labor strikes.

"We call it the C-crisis: capacity, Canada and cash," says pork council director Al Tank.

Why not just keep the hogs on the farm until slaughter capacity increases? A hog's ideal slaughter weight is about 250 lbs. Anything much larger tends to get a lower price. Moreover, many

hog farms - even small ones - run like factories. New animals are ready for market every week.

Increasingly, some critics are adding a fourth and fifth C - for contracts and collusion. Big producers typically sign contracts with processors that guarantee a market and price for their herds. Smaller producers say such contracts hurt their ability to negotiate better prices on daily spot markets.

NPPC President Donna Reifschneider last week asked Congress to require packers to disclose marketing contracts and the daily prices they pay.

There is a growing sentiment among small farmers that an increasing number of producer-packer arrangements violate antitrust laws. In Iowa, the top hog-producing state, small farmers want tougher legislation to block packers from owning or financing hog farms. In Kansas, similar legislation is proposed. "Packers have an unfair advantage," says Kansas state Rep. John Faber. "When they're allowed to raise their own cattle and hogs, farm families get priced out of their way of life."

U.S. Agriculture Secretary Dan Glickman is seeking a Justice Department probe into possible hog price fixing. The USDA is also investigating price spreads between farm, packers and retailers. In January, retail pork prices were down just 3.4% from 1998 levels, despite last year's 80% drop in hog prices.

Blaming the butcher

Nebraska-based IBP, the world's largest meat processor, reported Monday that fourth-quarter profits were more than four times greater than a year earlier, in part because of low hog prices. The company declined comment, referring calls to the American Meat Institute, an industry trade association.

Executive Director Patrick Boyle says there's no price collusion among processors. "We've been through a number of federal reviews and industry task forces. Everyone has exonerated the industry and reaffirmed this is a highly competitive business," Boyle says. Most producer contracts are based on ensuring steady supplies, not prices, he says.

Purdue University economist Chris Hurt discounts charges that packers are conspiring to slash prices. "There were so many hogs coming to market last fall, even if producers provided them for free, they wouldn't have been able to handle them." Many packers have been running double shifts, six days a week to ease the bottleneck between farms and market, he says.

While meat packers clearly benefit from lower prices, most grocers are fairing far better. Pork price drops boosted packers' 1998 profit margins by \$1 billion, but retailers netted \$4 billion, Hurt says. "Why weren't some of the lower prices passed on to consumers?" asks Hurt. "This is something that troubles me as an economist. It's an issue that needs to be looked at."

Mark Caldwell wants some answers, too. The Arizona hog farmer lost \$1 million and placed his farm near Snowflake under bankruptcy protection. "Something isn't right, says Caldwell, 42. "I wish the government would take that \$50 million in emergency aid to find out why the market got so low."

Glenn Grimes, a University of Minnesota economist who has followed the industry for almost 50 years, has seen dozens of cyclical turns. "I've never seen a market like this," he says. "There' no question this will lead to more concentration in the industry. Where does that leave the small farmer?"

Probably out in the cold. Like most other industries trying to become competitive through economies of scale, hog farming has been undergoing rapid consolidation. A 1997 study by the universities of Iowa and Missouri found that 145 large-scale hog producers now control 40% of the market and planned to boost operations 64% by 2000.

But mega-producing hog farms are also expanding "squeal-to-meal" operations before state and federal pollution legislation threatens future expansion. Some also face the wrath of the Sierra Club, an environmental group suing Missouri's largest hog producer, Premium Standard Farms, for allegedly violating state pollution laws. Premium denies the charges.

Premium, the USA's third-largest hog farmer, is also a defendant in a class-action trial that opened Thursday in Kansas City. It produces 2 million hogs a year in Missouri. More than 100 residents who live near Premium operations are seeking damages, complaining of foul odors.

Smaller independents, such as Ringger, have also expanded, borrowing heavily to grow operations when hogs fetched up to 61 cents per pound in 1996. Farming since the early 1980s, he cleared \$150,000 from his hog operations that year, his best ever.

Now, after losing \$40,000 in the last five months of 1998 alone, he's stretched thin. His operating expenses are about \$500,000 a year. Lenders are providing enough cash to see him through August.

Ringger's family has scaled back on discretionary spending, such

as restaurant meals. He also laid off his lone full-time helper. For now, things remain tough. Spot market prices have climbed to about 30 cents per pound. But most farmers' break-even price is 38 to 44 cents.

Anger and resignation

Hog farmers are treating their malaise with alternating doses of humor, anger and resignation. A joke on a farmer's Internet site: "Heard about the pig farmer who put a 'free pigs!' sign on his trailer? He came back a day later and the trailer had twice as many."

Porcine humor aside, a hog hotline (1-800-468-1834) has been set up by the University of Illinois to provide counseling, from financial help to stress management. During the past week, more than 100 calls have come in, some far from the Farm Belt.

With the pork glut expected to pinch prices below profitable levels until midyear, hog farmers are hunkering down.

"I'm tired of hearing everyone whine and complain," says Minnesotan Scott Groneweld, who markets 6,500 hogs near Fairmont and says his operation was profitable last year. "We don't have a right to be in business. It's a privilege, not a choice. You have to change with the times, become more efficient and competitive. If things are that bad, you have to look at other options."

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